



Memorandum

To: Representative Jeff Farrington, Chair, House Committee on Tax Policy
Cc: Kevin Gawronski, Committee Clerk
From: Matt Mincieli, Northeast Region Executive Director, TechNet
Date: September 7, 2016
Re: SUPPORT for House Bill 5786 & House Bill 5787 re Angel Investor Tax Credits

My name is Matt Mincieli, and I am the Northeast Region executive director for TechNet. TechNet is the national, bipartisan network of over 70 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic startups to the most iconic companies on the planet and represents more than two million employees in the fields of information technology, e-commerce, advanced energy, biotechnology, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

On behalf of our membership, we respectfully submit the following memorandum **in support of HB 5786 & HB 5787**, sponsored by the House Committee on Tax Policy Chair, Representative Farrington. The bills would amend the Michigan Income Tax Act to provide an income tax credit equal to 20% of an investment made by a taxpayer in certain small, new, Michigan-based businesses known as "seed or early stage" businesses.

A major platform of TechNet's Startup Agenda is the promotion of access to capital and markets. Startups thrive when they have access to capital and markets. State policymakers can improve the capital allocation process through targeted reforms to regulatory and tax law. TechNet supports innovative approaches to tax reform that provide incentives for individuals to invest in seed or early stage business. Almost half the states in the country already provide such tax incentives, with many more soon to enact similar legislation. As the technology industry rapidly grows and spreads in to new dynamic state markets, it's imperative that Michigan remain competitive by enacting tax credits that will stimulate investment and growth.

In closing, we thank you for your attention to our memo and, on behalf of our membership, respectfully ask that the Committee pass these bills with a favorable recommendation as quickly as possible because of the positive impact they would have on the Michigan innovation economy and startup community. If we can be of any assistance to you and your staff as you deliberate this important legislation, please feel free to consider TechNet a resource and contact me at mmincieli@technet.org.